

Figures as of	August 31, 2022
Net Asset Value	USD 223.58, CHF 170.74, EUR 286.95
Fund Size	USD 226.1 million
Inception Date*	May 27, 2003
Cumulative Total Return	579.8% in USD
Annualized Total Return	10.5% in USD

* The track record is the combination of two consecutive track records of China Investment Corporation (CIC) and HSZ China Fund (HCF). From May 27, 2003 to November 17, 2006, it is the performance of CIC, a trust account managed by HSZ (Hong Kong) Limited for listed Chinese equities. Since the launch of HCF on November 17, 2006 it is the performance of HCF.

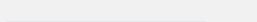
Net Asset Value (Monthly)



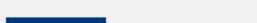
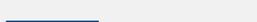
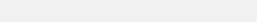
Performance

	August	YTD	1 Year	May 2003
USD Class	(3.4%)	(24.5%)	(13.9%)	579.8%
CHF Class	(0.8%)	(19.1%)	(7.9%)	402.9%
EUR Class	(1.3%)	(14.4%)	2.0%	694.5%

Largest Holdings

Luxshare Precision	7.0%	
Ping An	6.1%	
TSMC	6.0%	
Midea Group	5.9%	
ESR	5.7%	
Sungrow Power	5.6%	

Exposure

Information Technology	24.0%	
Industrials	23.0%	
Consumer Discretionary	17.9%	
Consumer Staples	9.3%	
Real Estate	8.6%	
Cash	3.9%	

Newsletter August 2022

- China's State Council rolls out 19 policy measures
- HSZ China Fund performance was down 3.4% in August
- ESR achieved a remarkable scale in the first half of 2022
- OPT Machine Vision's 1H22 result beat market expectations
- OWC's revenue growth is secured for the next few years

China's State Council rolls out 19 policy measures. The Chinese Premier Li Keqiang hosted a State Council executive meeting in August, aiming to deliver an additional 19 follow-up policies to support the economic recovery. The policy package includes channeling CNY 300 billion policy-backed financial instruments to support infrastructure and industrial parks, a CNY 500 billion quota for local governments to support property sector and small-mid enterprises, a CNY 200 billion bond for state-owned electricity operators to stabilize electricity supply.

HSZ China Fund's performance was down 3.4% in August. The biggest positive contribution came from Luxshare, an Apple's supply chain player and ESR, a Chinese leading logistic asset manager. The largest negative contribution came from Oriental Yuhong Waterproof and Sungrow Power.

ESR achieved a remarkable scale in the first half of 2022. For the first six months of 2022, ESR's assets under management grew by 14% to USD 149 billion post the ARA acquisition. Despite a challenging global environment, the company's EBITDA still grew by 15.3% year-over-year to USD 665 million, exceeding investors' expectations. ESR also declared a maiden dividend of 1.6 cents.

OPT Machine Vision's 1H22 result beat market expectations. Company's revenue increased by 53% to CNY 601 million and net profit increased by 36.5% to CNY 179 million. Despite the COVID-19 impact, company's second quarter revenue rose 79% to CNY383 million, while net profit rose 64% to CNY 132 million. The steady growth in revenue was attributable to the high prosperity of the downstream new energy vehicle industry and projects expansion of consumer electronic business. Management is confident in their full-year guidance and expects the growth momentum in the new energy vehicle battery business will continue until 2025.

OWC's revenue growth is secured for the next few years. On August 5, Orient Wires and Cables (OWC) released its Interim Report 2022. In 1H22, OWC realized a top line of CNY 3.8 billion (a year-on-year increase of 14.0%) while a bottom line of CNY 522 million (a year-on-year decrease of 18.0%). As of July 31, 2022, OWC's contracts in hand worth CNY 10.5 billion (i.e., products with high margin accounted for over 60%). Benefiting from the booming of China's offshore wind installation during the "14th Five-Year Plan" period, the submarine cable system demand will continue to increase rapidly, and the company's future revenue growth is secured.

General Information

Name	HSZ China Fund
Theme	Entrepreneurial China
Nature	Long-only equity fund, actively managed
Focus	Listed Chinese equities focusing on privately controlled companies

Structure	Swiss investment fund, regulated by FINMA, open-ended
Distributions	Income annually
Fiscal Year End	December 31
Reporting	Semi-annually in USD
Currency Classes	USD, CHF, EUR (all unhedged)
Trading	Daily issuance and redemption, based on net asset value

Fund Manager	FundPartner Solutions (Suisse) S.A.
Custodian Bank	Banque Pictet & Cie SA
Investment Manager	HSZ (Hong Kong) Limited
Auditors	PricewaterhouseCoopers AG
Management Fee	1.35% annually
Performance Fee	10% above hurdle rate of 5%, high water mark
Issuance Fee	None
Redemption Fee	None

USD Class	ISIN CH0026828035, Valor 2682803 WKN A0LC13 Bloomberg HSZCHID SW Equity
CHF Class	ISIN CH0026828068, Valor 2682806 WKN A0LC15 Bloomberg HSZCFCH SW Equity
EUR Class	ISIN CH0026828092, Valor 2682809 WKN A0LC14 Bloomberg HSZCHEU SW Equity
Orders via Banks	Banque Pictet & Cie SA Client Services Tel: +352 46 71 71 7666 Email: pfc.s.lux@pictet.com

Contact & Website	HSZ (Hong Kong) Limited Unit 605A, 6/F, Tower 2 Lippo Centre, 89 Queensway Hong Kong Tel: +852 2287 2300 Fax: +852 2287 2380 www.hszgroup.com mail@hszgroup.com
-------------------	--

Investment Opportunity

Once the world's largest trading power, China's gradual decline during the second millennium culminated in the Maoist purgatory. However, since the 1980s economic development has taken center stage. China has become the engine of the fastest growing region in the world attracting substantial foreign investments and developing into the world's manufacturing hub. Furthermore, an increasing middle class is fueling demand for consumer products. The growth momentum is set to continue as China strives to catch up with mature economies, producing attractive investment opportunities.

Investment Strategy

The objective of HSZ China Fund is to create sustained shareholder value by acquiring and managing equity and equity-linked investments in a select number of high-quality companies that are rooted in China. At least two-thirds of the total assets are to be invested in companies which are domiciled in China or participate as holding companies in enterprises domiciled there. At most one-third of the total fund volume can be invested in equity-oriented stocks and money market instruments of issuers worldwide. Based on fundamental analysis and a bottom-up approach, investment opportunities are identified that are assessed to provide above-average return on invested capital, have strong earnings per share growth and are priced attractively.

Risk Management

The Chinese stock market has many of the risks and characteristics of emerging markets. HSZ (Hong Kong) Limited exerts itself for reducing specific risks by accurately screening and monitoring high quality assets. That is why the long-lived experience of its specialists based locally is invaluable for investors. The fund is well diversified to avoid concentration risk. The weight of each position in the portfolio is subject to a maximum limit of 15%. No portfolio leverage is employed. The fact that HSZ China Fund invests in listed equity provides the investor with a reasonable degree of liquidity.

Investment Manager

HSZ (Hong Kong) Limited is a Hong Kong based independent investment management company. Its investment team has been managing Asian equity portfolios since 1994.

Disclaimer

This newsletter is for information purposes only and has been provided to you upon request. It may not be reproduced or redistributed to any other person. As a consequence, the information and data presented in this newsletter are not to be considered as an offer or solicitation to buy, sell or subscribe to the Fund. This newsletter relies on information obtained from sources deemed reliable but it does not engage the responsibility of HSZ (Hong Kong) Limited or any other party mentioned in the newsletter. The value and income of any of the securities or financial instruments mentioned in this newsletter may fall as well as rise and, as a consequence, investors may receive back less than originally invested. Risk factors are listed in the fund's prospectus and are not intended to be reproduced in full in this newsletter. Past performance is neither a guarantee nor a reliable indicator of future results. Performance data does not include the commissions and fees charged at the time of subscribing for or redeeming shares. This marketing material is not intended to be a substitute for the fund's full documentation or for any information which investors should obtain from their financial intermediaries acting in relation to their investment in the fund mentioned in this document. The latest versions of the Fund's prospectus and fund contract, semi-annual and annual reports as well as the Key Investor Information Documents (KIID) must be read before investing. They are available free of charge at the office of the Management company, FundPartner Solutions (Suisse) SA, Route des Acacias 60, 1211 Geneva 73. The depositary bank of the Fund is Banque Pictet & Cie SA, Route des Acacias 60, 1211 Geneva 73.